

Malawi begins production of “Long Life Fridge Free” margarine



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On March 7, 2017, Malawi witnessed the opening of its first margarine and baking fat processing plant at Kanengo in Lilongwe to produce a long-life fridge-free margarine called Sunspread.

The plant is one of the fruits of UNDP’s Malawi Innovation Challenge Fund (MICF), funded by UK’s Department for International Development (DfID), which provides

matching-grants for innovative and inclusive business projects by private sector companies operating in Malawi.

Before the opening of the manufacturing facility, Malawi was a net importer of margarine and baking fat; with the majority of the country’s population living in rural areas where access to electricity is limited, it was difficult for most Malawians to keep highly perishable margarine products.

The new margarine product will therefore have a huge impact on the import bill and is deemed to be the ideal product to reach rural communities as it needs no refrigeration.

The plant, which will require 14,000 metric tons of sunflower seed every year, has expanded market access for over 10,000 rural smallholder farmers, further improving their livelihoods.

For example, in 2016, the first group of 3,250 farmers supplied



2,500 metric tons of sunflower seed to the plant at an average price of MK 220 per kg compared to MK125 per kg on other markets and in 2017 farmers are expected to supply 8,000 metric tons of sunflower to the factory.

Sunseed Oil Managing Director, Wassim Kassam, said: "Over 10,000 smallholder farmers form an integral part of the supply chain; we will create 100 new jobs at the production facility by the end of the project in 2017, more than 30 of which have already been created. The 10,000 smallholder farmers will supply 40% of the required raw materials to the factory."



The Sunseed project falls under MICF's agriculture challenge window that was conceived to encourage production of new products, services and business models to increase the supply of processed and semi-processed agricultural commodities manufactured in Malawi

Moreover, a further 180 jobs are being created at the Technical Support Centers.

Komani Gondwe, one of the farmers from Kasungu district who sold his sunflower produce to the plant last year, said the plant has encouraged him to increase his sunflower production from four hectares last year to 11 hectares this year. He adds that the first proceeds from his sunflower sales to the plant have enabled him not only

to pay school fees for his two children who are at university, but also meet his other livelihood needs.

The Sunseed project falls under MICF's agriculture challenge window that was conceived to encourage production of new products, services and business models to increase the supply of processed and semi-processed agricultural commodities manufactured in Malawi to help both

substitute some of the imported products on the Malawi market and to increase exports.

UNDP Resident Representative Mia Seppo said: "The design of the MICF has been guided by the principles of the National Export Strategy (NES) which provide a clear roadmap for diversifying Malawi's economy, a shift from an importing/ consuming nation towards becoming an exporting/producing nation."

MICF is currently supporting several investment projects aimed at stimulating private sector development and improving economic growth to ensure increased incomes and employment opportunities for Malawi people.

Other partners to the MICF include the International Fund for Agricultural Development (IFAD) and the German Development Bank (KfW).



Project Building Blocks

10,000 Sunflower farmers organised into groups and group leaders identified



10,000 Sunflower farmers receive training on sunflower production and improved High Oil Content seed



Construction of HACCP certified factory with and establishment of 60 collection centres



1,800 MT of Margarine produced and put on the domestic market and some margarine exported to the region



10,000 farmers receive increased incomes of 40% from sunflower seed sales from current 2014 farm gate price of MK 65 per kg



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